

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 14-114 as follows:

6 (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)
7 Sec. 14-114. Automatic increase in retirement annuity.

8 (a) Any person receiving a retirement annuity under this
9 Article who retires having attained age 60, or who retires
10 before age 60 having at least 35 years of creditable service
11 (or at least 20 years of eligible creditable service as
12 defined in Section 14-110), or who retires on or after
13 January 1, 2001 at an age which, when added to the number of
14 years of his or her creditable service, equals at least 85,
15 shall, on January 1 next following the first full year of
16 retirement, have the amount of the then fixed and payable
17 monthly retirement annuity increased 3%.

18 Any person receiving a retirement annuity under this
19 Article who retires before attainment of age 60 and with less
20 than (i) 35 years of creditable service if retirement is
21 before January 1, 2001, or (ii) the number of years of
22 creditable service which, when added to the member's age,
23 would equal 85, if retirement is on or after January 1, 2001,
24 shall have the amount of the fixed and payable retirement
25 annuity increased by 3% on the January 1 occurring on or next
26 following (1) attainment of age 60, or (2) the first
27 anniversary of retirement, whichever occurs later.

28 Until January 1, 2003 however, for persons who receive
29 the alternative retirement annuity under Section 14-110,
30 references in this subsection (a) to attainment of age 60
31 shall be deemed to refer to attainment of age 55. Beginning

1 January 1, 2003, the age requirement does not apply to
2 persons who are receiving an alternative retirement annuity
3 under Section 14-110. Any person who began receiving an
4 alternative retirement annuity under Section 14-110 on or
5 before January 1, 2002 and has not received the first annual
6 increase under this Section shall be entitled to that initial
7 increase on January 1, 2003.

8 For a person receiving early retirement incentives under
9 Section 14-108.3 whose retirement annuity began after January
10 1, 1992 pursuant to an extension granted under subsection (e)
11 of that Section, the first anniversary of retirement shall be
12 deemed to be January 1, 1993. For a person who retires on or
13 after the effective date of this amendatory Act of the 92nd
14 General Assembly and on or before the first day of the fourth
15 calendar month following the month in which this amendatory
16 Act takes effect, and whose retirement annuity is calculated,
17 in whole or in part, under Section 14-110 or subsection (g)
18 or (h) of Section 14-108, the first anniversary of retirement
19 shall be deemed to be January 1, 2002.

20 On each January 1 following the date of the initial
21 increase under this subsection, the employee's monthly
22 retirement annuity shall be increased by an additional 3%.

23 Beginning January 1, 1990, all automatic annual increases
24 payable under this Section shall be calculated as a
25 percentage of the total annuity payable at the time of the
26 increase, including previous increases granted under this
27 Article.

28 (b) The provisions of subsection (a) of this Section
29 shall be applicable to an employee only if the employee makes
30 the additional contributions required after December 31, 1969
31 for the purpose of the automatic increases for not less than
32 the equivalent of one full year. If an employee becomes an
33 annuitant before his additional contributions equal one full
34 year's contributions based on his salary at the date of

1 retirement, the employee may pay the necessary balance of the
2 contributions to the system, without interest, and be
3 eligible for the increasing annuity authorized by this
4 Section.

5 (c) The provisions of subsection (a) of this Section
6 shall not be applicable to any annuitant who is on retirement
7 on December 31, 1969, and thereafter returns to State
8 service, unless the member has established at least one year
9 of additional creditable service following reentry into
10 service.

11 (d) In addition to other increases which may be provided
12 by this Section, on January 1, 1981 any annuitant who was
13 receiving a retirement annuity on or before January 1, 1971
14 shall have his retirement annuity then being paid increased
15 \$1 per month for each year of creditable service. On January
16 1, 1982, any annuitant who began receiving a retirement
17 annuity on or before January 1, 1977, shall have his
18 retirement annuity then being paid increased \$1 per month for
19 each year of creditable service.

20 On January 1, 1987, any annuitant who began receiving a
21 retirement annuity on or before January 1, 1977, shall have
22 the monthly retirement annuity increased by an amount equal
23 to 8¢ per year of creditable service times the number of
24 years that have elapsed since the annuity began.

25 (e) Every person who receives the alternative retirement
26 annuity under Section 14-110 and who is eligible to receive
27 the 3% increase under subsection (a) on January 1, 1986,
28 shall also receive on that date a one-time increase in
29 retirement annuity equal to the difference between (1) his
30 actual retirement annuity on that date, including any
31 increases received under subsection (a), and (2) the amount
32 of retirement annuity he would have received on that date if
33 the amendments to subsection (a) made by Public Act 84-162
34 had been in effect since the date of his retirement.

1 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01.)

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.